

Message Text

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12

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 FEA-01 H-02 PRS-01 DODE-00 PM-04 FMC-01 DOTE-00

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R 060758Z JAN 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 4413

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

USINT BAGHDAD

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY SANA

C O N F I D E N T I A L KUWAIT 0074

E.O. 11652: GDS

TAGS: EGEN, PFOR, KU, XF

SUBJ: KUWAIT EFFORTS TOWARD REGIONAL COOPERATION

SUMMARY: KUWAIT IS AGGRESSIVELY PURSUING POLICY OF FOSTER-
ING COOPERATION AMONG GULF NEIGHBORS AND, AT LEAST IN ECONOMIC
AREA, IT IS MEETING WITH SURPRISING SUCCESS. KUWAITS ARE PUSING
RELATIVELY PRAGMATIC PROGRAMS AND ARE ALSO ENCOURAGING CLOSER
CONSULTATION AND COORDINATION IN THE IMPORTANT PETROLEUM AND
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FINANCE AREAS. KUWAITI EFFORTS AT ENCOURAGING POLITICAL AND/

OR MILITARY COOPERATION ARE NOT ANYWAY NEAR AS FAR ALONG, AND GOK MUST STEER DIFFICULT MIDDLE COURSE AMONG LARGER, OFTEN ANTAGONISTIC NEIGHBORS IN CONTROVERSIAL GULF SECURITY AREA. NEVERTHELESS, KUWAITIS, LED BY PRIME MINISTER BELIEVE THAT AS EACH PROJECT IS ACCEPTED ON ITS OWN MERITS IDEA OF CLOSER COOPERATION AND COORDINATION WILL GROW. FOR MANY KUWAITIS THIS, RATHER THAN SOME SORT OF KUWAITI HEGEMONY OVER GULF, IS CRITICAL POLICY OBJECTIVE. KUWAITIS BELIEVE, PARTICULARLY WITH RESPECT TO SAUDI ARABIA, THAT AS REGIONALISM TAKES HOLD. KUWAIT WILL BE SOMEWHAT PROTECTED FROM POSSIBLE CHALLENGES BY LARGER NEIGHBORS, AND AT SAME TIME KUWAITIS THEMSELVES WILL BE ABLE EXERT THEIR INFLUENCE IN WAY THAT WOULD NOT BE OTHERWISE POSSIBLE. END SUMMARY.

1. REVIEW OF RECENT DEVELOPEMENTS INDICATED THAT GOK AGGRESSIVELY PURSUING POLICY OF FOSTERING REGIONAL COOPERATION, AND THERE SOME EVIDENCE THAT KUWAITI POLICIES MAY PROVE TO BE MORE SUCCESSFUL THAT ANYONE WOULD HAVE GUESSED YEAR OR SO AGO. KUWAITI POLICY RESTS ON PERCEPTION THAT COUNTRY'S POLITICAL AND ECONOMIC INTERESTS, ARE BEST SERVED IF CLOSE COOPERATION UNDER KUWAITI LEAD EXISTS AMONG GULF LITTORAL STATES. MOREOVER, KUWAITIS OFTEN ADMIT THAT THEIR OWN COUNTRY IS TOO SMALL TO CONTAIN THEIR OWN ENERGIES, AND THEY WOULD LIKE TO PURSUE THEIR IDEAS AND INTERESTS ON GULF-WIDE, IF NOT ARAB-WIDE BASIS. POLICY OF PUSHING GULF COOPERATION, PARTICULARLY AMONG SMALLER GULF STATES, IS FIRMLY BACKED BY PRIME MINISTER WHO IS TAKING LEAD AMONG GOK OFFICIALS IN IMPLEMENTING POLICY.

2. KUWAITI EFFORTS HAVE BEEN CHARACTERIZED BY RELATIVELY PRAGMATIC PROGRAMS WITH OBJECTIVE OF ENHANCING ECONOMIC DEVELOPMENT OF WHOLE REGION IN WAY THAT SEPARATE SMALL PROGRAMS OF INDIVIDUAL STATES CANNOT. AMONG SPECIFIC PROGRAMS CURRENTLY BEING IMPLEMENTED OR UNDER DISCUSSION AT KUWAIT INITIATIVE ARE:

- A. POSSIBLE KUWAIT/SAUDI/BAHRAINI NUCLEAR POWER PROJECT,
- B. JOINT GULF CARGO SHIPPING COMPANY-- WHICH IS TO BE FORMALLY ESTABLISHED LATER THIS MONTH,
- C. JOINT CARGO AIRLINE,
- D. POSSIBLE MERGER OF KUWAIT AIRWAYS AND GULFAIR,
- E. COMMON CURRENCY AND MONETARY COOPERATION AND
- F. ESTABLISHMENT OF JOINT GULF INTERNATIONAL BANK IN BAHRAIN.

KUWAIT HAS ALSO BEEN URGING OR OTHERWISE TAKING STEPS TOWARD GREATER REGIONAL COOPERATION IN FIELDS OF

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SEA POLLUTION, GULF FISHING AND INFORMATION (E.G. JOINT GULF NEWS AGENCY). IN ADDITION TO THESE EFFORTS, KUWAIT HAS BEEN STRONG SUPPORTER OF REGIONAL PROGRAMS IN OPEC SUCH AS JOINT TANKER FLEET AND ARAB DRYDOCK PROJECT AND IN SUCH OTHER KUWAIT-BASED INSTITUTIONS AS ARAB FUND AND INTER-ARAB INVESTMENT GUARANTY CORPORATION. MOREOVER, AS WE HAVE REPORTED, THERE IS INCREASING INFORMAL CONSULTATION AND COORDINATION AMONG KUWAITI, SAUDI AND LOWER GULF OFFICIALS IN PETROLEUM AND FINANCIAL AFFAIRS.

3. THE KUWAITIS ARE STEERING A DIFFICULT MIDDLE COURSE POLITICALLY IN THE CONTROVERSIAL GULF SECURITY AREA. THEY ARE SUSPICIOUS OF SHAH'S SECURITY PACT PROPOSAL, AND HAVE BEEN REINFORCED IN THEIR RELUCTANCE BY DIFFERING SAUDI AND IRAQI PERCEPTIONS OF GULF SECURITY NEEDS. THERE IS SOME EVIDENCE THAT USSR HAS ALSO ENCOURAGED GOK TO MAINTAIN ITS DISTANCE FROM IRANIAN PROPOSAL. AS KUWAIT ATTEMPTS TO EXTEND ITS OWN INFLUENCE IN GULF IT WILL HAVE IRAQ PEERING OVER ITS SHOULDER TOO, AND IRAQI FEELINGS WILL HAVE TO BE TAKEN INTO CONSIDERATION. WHEN IRAQIS FEEL IGNORED THEY HAVE OPTION OF SOBERING PUBLIC BLAST AT KUWAIT SUCH AS WAS HEARD AT TIME OF GOK'S NOVEMBER CRUDE OIL PRICE REDUCTION. WE NOTE THAT IRAQ WAS FINALLY INVITED PARTICIPATE IN RECENT GULF INFO MINISTERS CONFERENCE IN ABU DHABI. KUWAIT'S GULF POLICY WILL BE COUCHED IN FRAMEWORK DESIGNED NOT TO UPSET MAJOR NEIGHBORS.

4. THOUGH KUWAIT'S MILITARY FORCES ARE SMALL, THERE IS SOME COMMUNICATION WITH SAUDI AND LOWER GULF COUNTERPARTS, AND KUWAIT RECENTLY PARTICIPATED ALONG WITH SAUDI ARABIA AND JORDAN IN A MILITARY STUDY IN THE UAW ON INTEGRATION OF ARMED FORCES AT THE REQUEST OF THE FEDERAL GOVERNMENT.

5. TRADITIONALLY KUWAIT'S NEIGHBORS HAVE SCOFFED AT ITS REGIONAL PRETENSIONS. THE SMALLER COUNTRIES RESENT AND EVEN FEARED TO A DEGREE KUWAIT ARROGANCE AND POWER. THE SAUDIS IN PARTICULAR RESENTED KUWAIT'S ATTEMPT TO INTERFERE IN AN AREA THE SAUDIS HAD RESERVED FOR THEMSELVES. IRAQ AND IRAN PROBABLY HARDLY NOTICED OR CARED WHAT KUWAIT DID. THIS IS CHANGING IT SEEMS. HOWEVER, FRUDINGLY, EVEN STATES LIKE QATAR ARE GOING ALONG ON SUCH PROJECTS AS THE GULF INTERNATIONAL BANK, THE MOVE TOWARD A COMMON CURRENCY AND THE JOINT SHIPPING COMPANY. INDEED SAUDI ARABIA HAS ALSO BECOME INVOLVED, AND IRAQ ASKED TO CONFIDENTIAL

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BE INCLUDED IN THE SHIPPING PROJECT.

6. KUWAITIS HOPE THAT AS EACH PROJECT IS ACCEPTED ON ITS OWN MERITS, THE IDEA OF CLOSER COOPERATION, AND COORDINATION WILL GROW. FOR MANY KUWAITIS THIS, RATHER THAN SOME SORT OF KUWAIT HEGEMONY OVER THE GULF, IS THE CRITICAL POLICY OBJECTIVE. PARTICULARLY WITH RESPECT TO SAUDI ARABIA, GOK KNOWS IT MUST NOT THREATEN MUCH LARGER NEIGHBOR, BUT BY DRAWING SAUDIS INTO REGIONAL ENDEAVORS GOK BELIEVES IT CAN REDUCE THREAT OF CHALLENGE FROM SAUDIS OR OTHER LARGE NEIGHBORS AND AT SOME TIME EXERT KUWAITI INFLUENCE IN A WAY THAT WOULD NOT OTHERWISE BE POSSIBLE. BASED IN REPORTING FROM OTHER POSTS IN REGION ON LOCAL ATTITUDES TOWARD KUWAITIS WE WOULD NOT HAVE GUESSED THAT GOK WOULD HAVE BEEN AS SUCCESSFUL AS IT HAS BEEN SO FAR, AND PERHAPS AT ONE POINT TREND TOWARD REGIONAL COOPERATION WILL

STALL. UNTIL NOW, HOWEVER, GOK IS ENCOURGED BY ITS APPARENT
SUCCESS AND WILL LIKELY EXTEND ITS EFFORTS IN THIS AREA.
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